

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
Richmond Division

TYRONE HENDERSON,)
CHARLES TAYLOR, and)
WILLIAM WILES,)
Plaintiffs,)
v.) Civil Action No. 3:12cv589 (REP)
ACXIOM RISK MITIGATION, INC., *et al.*)
Defendants.)

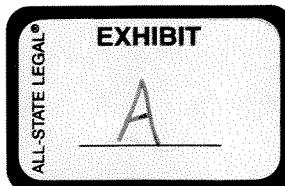
AFFIDAVIT OF CURT SCHWALL
(Regarding Motion to Transfer Venue)

I, Curt Schwall, under penalty of perjury, declare the following:

1. I am Vice President and General Manager of Sterling InfoSystems-Ohio, Inc. ("Sterling-OH"), formerly known as Acxiom Information Security Services, Inc. Sterling-OH is located in Independence, Ohio. My office address is 6111 Oak Tree Boulevard, Independence, Ohio 44131.

2. The facts set forth herein are based on my personal knowledge, and review of company documents and records, and if I were called upon to testify to them, I could and would competently do so.

3. Sterling-OH is engaged in the business of providing background screening services to employers and/or prospective employers nationwide. Historically, Sterling-OH has serviced clients in all 50 states. Sterling-OH provides those services from its office located in Independence, Ohio, which is approximately ten miles from Cleveland, Ohio. Sterling-OH employs approximately 167 employees in Ohio.



4. Sterling-OH does not have any offices in the Commonwealth of Virginia and does not have any employees in Virginia.

5. On or about February 1, 2012, Sterling Infosystems, Inc. acquired Acxiom Information Security Services, Inc. (“AISS”) from Acxiom Corporation. Following the acquisition, AISS changed its legal name to AISS, Inc. and subsequently changed its legal name to Sterling InfoSystems-Ohio, Inc. Sterling-OH is a subsidiary of Sterling Infosystems, Inc. For purposes of my affidavit, and for the sake of clarity, I refer to the company both before and after the acquisition as “Sterling-OH” unless stated otherwise.

6. Prior to the acquisition, AISS’s offices were located in Fairlawn, Ohio and Independence, Ohio. Prior to the acquisition, AISS did not have any offices located in Virginia and did not have any employees in Virginia.

7. I have been employed with Sterling-OH and its predecessors for over 15 years. I was employed with Sterling-OH and its predecessors for the time period relevant to this litigation.

8. In my role as Vice President and General Manager, I oversee and manage a number of functions of Sterling-OH, including but not limited to operations, account management, compliance, and finance. Further, with the assistance of other Sterling-OH employees, I oversee and manage Sterling-OH’s processes for compliance with the Fair Credit Reporting Act. I oversee and manage these activities from Sterling-OH’s offices in Independence, Ohio. Prior to assuming the role of Vice President and General Manager, I was the company’s Director of Compliance and Accounting. Prior to that, I served as the company’s

Compliance Officer, where I managed the Compliance Team that had the responsibility of reviewing and overseeing operational compliance and membership compliance.

9. Sterling-OH is and has always been headquartered in Independence, Ohio.
10. Sterling-OH has no property or bank accounts in Virginia.
11. Sterling-OH has had no receipts for income tax purposes in Virginia.
12. Sterling-OH has not been registered to do business in Virginia, nor had a registered agent for service of process in Virginia.
13. Sterling-OH does not maintain records in Virginia. Sterling-OH's records are maintained in Ohio. Further, Sterling-OH currently maintains its records electronically via servers housed in Ohio and Maryland. Prior to the acquisition, the company maintained its records electronically via servers housed in Ohio and Arkansas. Sterling-OH does not have any servers located in Virginia.
14. As noted, Sterling-OH's employees are based at its headquarters in Independence, Ohio, with the exception of three employees who work remotely (one in Wisconsin and two in Tennessee).
15. During the relevant period of time, Sterling-OH's general procedure for processing a request for an employment background check was:
 - a. A Sterling-OH employee located in Ohio would receive and process the request from the customer;
 - b. Work orders would be initiated by Sterling-OH employees in Ohio and results were received by personnel in Ohio;
 - c. The results of the background check were received by Sterling-OH employees located in Ohio and potential matches between records

obtained during the search and an individual were reviewed by personnel located in Ohio; and

d. A Sterling-OH employee located in Ohio would deliver the appropriate results to customers, and prepare and deliver various notification letters to applicants in those situations where customers requested those services.

16. During the relevant period of time, to the extent that there was a question or dispute relating to the background check, the question or dispute would be directed to and received by a Sterling-OH employee in Ohio and addressed by an employee located in Ohio. Individuals who received notice(s) from Sterling-OH relating to the background check process were directed to contact the company at its address in Independence, Ohio, or by facsimile received in Ohio, or by an 800-number answered in Ohio.

17. Background reports on Plaintiff Tyrone Henderson (“Henderson”), Plaintiff Charles Taylor (“Taylor”) and Plaintiff William Wiles (“Wiles”) were prepared by Sterling-OH personnel in Ohio.

18. Investigations into consumer disputes were (and continue to be) conducted in and from Sterling-OH’s offices in Ohio. Sterling-OH’s records confirm that (a) Mr. Henderson and Mr. Wiles contacted the company in Ohio to dispute information contained in their respective background reports, (b) that employees in Ohio managed the process of reviewing these disputes and contacting researchers to obtain copies of the disputed court records (in both cases, from counties in Pennsylvania), and (3) that the results of the investigations were communicated by employees in Ohio to Mr. Henderson and Mr. Wiles. Sterling-OH’s records confirm that Mr.

Taylor contacted the company in Ohio, but did not dispute any of the information contained in his background report.

19. Sterling-OH's records indicate that DistTech, Inc., the company to which Mr. Taylor applied for employment, is located in North Canton, Ohio.

20. Sterling-OH provides background screening services to Wal-Mart. The primary manager for Sterling-OH's relationship with Wal-Mart is Kristy Nahrstedt, an Account Manager. Ms. Nahrstedt has knowledge of the nature of the services provided by Sterling-OH to Wal-Mart, including Sterling-OH's procedures for processing background reports for Wal-Mart and providing notifications to applicants about the background screening process. Ms. Nahrstedt works at Sterling-OH's headquarters in Independence, Ohio.

21. Prior to the acquisition, Lisa Geber was the primary manager of Sterling-OH's relationship with Wal-Mart. Ms. Geber was an Account Manager with Sterling-OH (at the time, AISS). Ms. Geber has knowledge of the nature of the services provided by the company to Wal-Mart. Ms. Geber is no longer employed by the company. Sterling-OH's records confirm that Ms. Geber's last known address is in the Cleveland, Ohio area.

22. Sterling-OH provides background screening services to Allstate. The primary manager for Sterling-OH's relationship with Allstate is Patti Yakich, an Account Manager. Ms. Yakich has knowledge of the nature of the services provided by Sterling-OH to Allstate, including Sterling-OH's procedures for processing background reports for contractors of Allstate. Ms. Yakich works at Sterling-OH's headquarters in Independence, Ohio.

23. Prior to the acquisition, Hollie Zelenka was a sales representative for the Allstate account at Sterling-OH (at the time, AISS). Ms. Zelenka has knowledge of the nature of the services provided by the company to Allstate, including the procedures for processing

background screening requests for contractors of Allstate. Ms. Zelenka is no longer employed by the company. Sterling-OH's records confirm that Ms. Zelenka's last known address is in the Cleveland, Ohio area.

24. The primary compliance manager at Sterling-OH is Veronique Laverdiere. Ms. Laverdiere has knowledge of Sterling-OH's practices and procedures relating to the preparation of background reports, notices provided to applicants and/or employees regarding those reports, investigations into disputes brought by applicants and/or employees, and compliance with the Fair Credit Reporting Act. Ms. Laverdiere also has personal knowledge of the disputes made by Mr. Henderson and Mr. Wiles. Ms. Laverdiere works at Sterling-OH's headquarters in Independence, Ohio.

25. Jeannine Payne, a former Compliance Associate for Sterling-OH, has knowledge of the investigation into the dispute made by Mr. Henderson about information contained in his background report and the results of that investigation. Ms. Payne also has knowledge of her communications with Mr. Taylor about information contained in his background report. Ms. Payne is no longer employed by Sterling-OH. Sterling-OH's records confirm that Ms. Payne's last known address is in the Cleveland, Ohio area.

26. Caroline Rosset (formerly Caroline Carr), a Compliance Specialist at Sterling-OH, has knowledge of the investigation into the dispute made by Mr. Wiles about information contained in his background report. Ms. Rosset works at Sterling-OH's headquarters in Independence, Ohio.

27. Sheryl Toth, Sterling-OH's Director of Operations, oversees the daily operations of Sterling-Ohio and has knowledge about Sterling-OH's production departments relating to the

preparation of background reports. Ms. Toth works at Sterling-OH's headquarters in Independence, Ohio.

28. Prior to the acquisition, Robert Campbell was the Director of Operations at Sterling-OH (at the time, AISS). Mr. Campbell has knowledge about the company's production departments relating to the preparation of background reports. Mr. Campbell is no longer employed by Sterling-OH. Sterling-OH's records confirm that Mr. Campbell's last known address is in the Cleveland, Ohio area.

29. Prior to the acquisition, Christina Basmagy was the Operations Leader at Sterling-OH (at the time, AISS). Ms. Basmagy has knowledge of the company's production departments relating to the preparation of background reports. Ms. Basmagy is no longer employed by Sterling-OH. Sterling-OH's records confirm that Ms. Basmagy's last known address is in the Cleveland, Ohio area.

30. Prior to the acquisition, Michael Cool was the Vice President and General Manager of Sterling-OH until December 2011. Mr. Cool has knowledge of the company's products, services and compliance procedures. In addition, Mr. Cool was involved in the resolution of Mr. Henderson's dispute regarding his background report. Mr. Cool is no longer employed by the company. Sterling-OH's records confirm that Mr. Cool's last known address is in the Cleveland, Ohio area.

31. Sterling-OH maintains electronic records of background reports prepared for its customers, as well as various notification letters sent to job applicants and/or employees, through its employees located in Ohio. Timothy Holgate, an IT Infrastructure Leader, and James Likovic, an Industry Strategist Leader, have knowledge of these records, and would be needed to

access these records. These employees work at Sterling-OH's headquarters in Independence, Ohio.

32. In addition to the witnesses specifically identified herein, Sterling-OH's records confirm that at least five other Sterling-OH employees were involved in the processes of preparing Mr. Henderson's background report, communicating with Mr. Henderson about the report and/or investigating his dispute about information contained in the report. Three of those employees are currently employed by Sterling-OH in Independence, Ohio. Two of those employees are no longer employed by Sterling-OH, however, Sterling-OH's records confirm that the last known address for these former employees is in the Cleveland, Ohio area.

33. In addition to the witnesses specifically identified herein, Sterling-OH's records confirm that at least eleven Sterling-OH employees were involved in the process of preparing Mr. Taylor's background report and/or communicating with Mr. Taylor about the report. Six of those employees are currently employed by Sterling-OH in Independence, Ohio. Five of those employees are no longer employed by Sterling-OH, however, Sterling-OH's records confirm that the last known address for these former employees is in the Cleveland, Ohio area.

34. In addition to the witnesses specifically identified herein, Sterling-OH's records confirm that at least five Sterling-OH employees were involved in the process of preparing Mr. Wiles' background report, communicating with Mr. Wiles about the report and/or investigating his dispute about information contained in the report. Three of those employees are currently employed by Sterling-OH in Independence, Ohio (two of whom were involved in the processes for Mr. Henderson and Mr. Taylor and are therefore also referenced in Paragraphs 32 and 33 above). Two of those employees are no longer employed by Sterling-OH, however, Sterling-OH's records confirm that the last known address for these former employees is in the

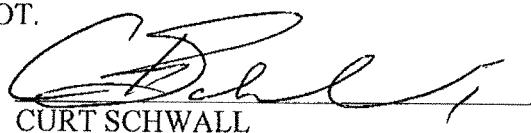
Cleveland, Ohio area (one of whom was involved in the process for Mr. Henderson and is therefore also referenced in Paragraph 32 above).

35. Sterling-OH would have had no contact whatsoever with Virginia with respect to Mr. Wiles. Sterling-OH's records confirm that Mr. Wiles was a Texas resident, and employed by a company called Service King, which is located in Texas.

36. I am voluntarily making this affidavit out of my own free will. No one has promised me anything in exchange for this testimony.

Executed on October 26, 2012 in Independence, Ohio.

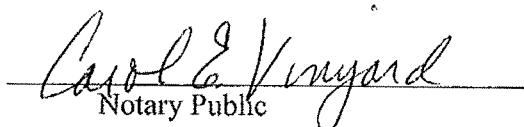
FURTHER AFFIANT SAYETH NOT.



CURT SCHWALL

STATE OF OHIO)
)
COUNTY OF CUYAHOGA)

SUBSCRIBED and SWORN to before me this 26th day of October, 2012.



Carol E. Vinyard
Notary Public

My commission expires:

June 24, 2017

SEAL

